

The Medicare Prescription Drug Benefit: Helping Seniors And Reducing Costs

Today's Presidential Action

Today, The President Discussed How The Medicare Prescription Drug Benefit Is Helping Seniors Receive The Drugs They Need At Reduced Costs. Ten weeks since the Medicare prescription drug benefit went into effect, over 26 million people with Medicare now have prescription drug coverage, and hundreds of thousands more are enrolling each week.

The Medicare Prescription Drug Benefit Is Helping Seniors And Reducing Costs

The New Program Is Working Well For Most Seniors, And Early Challenges Are Being Corrected. The Administration is working to ensure that drug plans get up-to-date information on beneficiaries by improving computer data transfer between Medicare and private plans. Since January, more than 2,700 events have been held across the country to answer individual questions and get people help. In the first ten weeks of the Medicare prescription drug benefit rollout, Health and Human Services Secretary (HHS) Michael Leavitt has traveled to 19 states and met with numerous Governors. The Centers for Medicare and Medicaid Services and HHS have helped local pharmacists identify seniors' needs by adding more operators at call centers and improving pharmacists' training and education about the Medicare prescription drug benefit.

Strong Competition Is Lowering Costs For Seniors And Taxpayers. This year, the Federal government will spend an estimated 20 percent less overall on the Medicare prescription drug benefit than projected last July. The average premiums seniors pay for their prescription drug benefits are a third less than expected – just \$25 per month instead of the earlier estimate of \$37 per month.

Seniors Must Sign Up By May 15, 2006, To Receive The Lowest Premiums Under The Medicare Prescription Drug Benefit.

- **Seniors Can Sign Up Online, Over The Phone, By Fax, Or Directly With Health Plans.** Seniors or family members with questions about the Medicare prescription drug benefit can call 1-800-MEDICARE or visit <http://www.medicare.gov>.
- **Assistance Can Also Be Obtained From Partner Organizations Including Pharmacists, Senior Centers, The AARP, And The Council On Aging.**

Registration Provides Seniors Peace Of Mind By Protecting Them From Unexpected Drug Expenses. Seniors now paying low prescription drug costs should consider joining to avoid unforeseen, higher prescription drug costs later in life.

The Medicare Prescription Drug Benefit Helps All Medicare Beneficiaries Pay For Prescription Drugs

Everyone On Medicare Can Get Help, No Matter How They Pay For Their Drugs. Seniors with average drug expenses will spend about half of what they previously spent on prescription drugs. Medicare provides extra help to beneficiaries with high prescription costs. Medicare covers 95 percent of all prescription costs once beneficiaries spend \$3,600 of their own money in a given year.

The New Drug Coverage Offers More And Better Choices Than Ever Before. Seniors can choose from a number of private plans to find the one that best serves them – and plan providers are competing for seniors' business. That means seniors can save more and get the coverage they want.

Medicare Will Pay Nearly All Of Low-Income Beneficiaries' Drug Bills. Low-income seniors are eligible for prescription drug coverage that includes little or no premiums, low deductibles, and no gaps in coverage. On average, Medicare will pay for more than 95 percent of the costs of prescription drugs for low-income seniors.

- **Eligibility Forms Are Available.** Subsidy applications have been mailed to many low-income seniors and Americans with disabilities. Forms are also available at locations around the country, including over 30,000 pharmacies, or through

the Social Security Administration. No financial documents or complicated records are required to show eligibility for the subsidy.

Medicare Is A Critical Safety Net For Americans With Disabilities. Millions of Americans with developmental and physical disabilities, mental illness, and HIV/AIDS count on Medicare, and new Medicare coverage brings modern medicine to them.

The Medicare Prescription Drug Benefit Offers Better Choices

The Medicare Prescription Drug Benefit Offers Choice And Flexibility. Everyone on Medicare can choose brand-name drugs or generic drugs.

The Medicare Prescription Drug Benefit Supports Employer And Union Coverage. Employers and unions that provide drug coverage to former employees can continue to do so, and Medicare will help them with the cost.

Medicare Advantage Plans Allow Seniors And Americans With Disabilities To Choose Their Plans And Get Better Drug Benefits. Seniors and Americans with disabilities who enroll in Medicare Advantage Plans can choose the plan that works best for their needs and lifestyle and can save an average of \$100 each month over traditional Medicare.

Many Plans Provide Seniors Affordable Ways To Avoid Coverage Gaps. Under the standard plan coverage specified under law, if a senior's cumulative drug expenses reach \$2,250, there is a gap in coverage until his or her costs reach \$5,100. However, competition between private plans has enabled seniors to choose an affordable drug plan providing coverage in this gap.